

FRAUD 102: IEVS & OVERPAYMENTS

Anita M. Calderon

INCOME AND ELIGIBILITY VERIFICATION SYSTEM (IEVS)

- Implemented by DHCS and CDSS
 - Mandated by Federal and State Law for verifying eligibility and benefit amounts for CalWORKs, CalFresh and Medi-Cal
 - IEVS matches applicant name, date of birth, and Social Security Number (SSN) with
 - State welfare files,
 - Wage and unemployment/disability benefit files,
 - Interest and dividend information from State Franchise Tax Board (FTB) files
 - Social Security Administration (SSA)

INCOME AND ELIGIBILITY VERIFICATION SYSTEM (IEVS)

- There are two components to IEVS.
 - Applicant
 - Reviewed at Application and Redetermination
 - Recipient
 - Matches are received at various times of the year
 - Match (abstract) is generated when there is information in excess of the tolerance level

RECIPIENT IEVS

IFDS – Integrated Fraud Detection System

IRS Asset

BEER – Beneficiary Earnings Exchange Record

NPM – Nationwide Prisoner Match

DPM – Deceased Person Match

PVS – Payment Verification System

NHR – New Hire Report

CA STATE LOTTERY MATCH

INTEGRATED FRAUD DETECTION (IFDS)

Quarterly

- **IFDS Abstract aka Earnings Clearance**
- The wage match contains earnings that were reported to the EDD from employers
- Information is 6 months old.

- **Duplicate Aid**
- This match finds two or more records containing the same identifiers.
- Information is 7-9 months old.

- **SSI/SSP Match**
- This match compares information with the Social Security Administration

INTERNAL REVENUE SERVICE (IRS) ASSET MATCH

Annually

- Unearned Income (Interest and Dividends)
 - Pensions
 - Lottery /Gambling Winnings
 - Bank Account Interest
 - Stocks
 - Bonds
 - Retirement Accounts

BENEFICIARY EARNING EXCHANGE RECORD (BEER)

Quarterly

- Wage Information from Tax Filings
 - Self Employment
 - Out of state wages
 - Wages not reported to EDD that would appear on the IFDS

FLEEING FELON MATCH

Monthly

- File from Wanted Persons System
- For CalFresh, warrant must have one of the 3 NCC codes:
 - Escape (4901)
 - Flight to avoid prosecution or confinement (4902)
 - Flight-Escape (4999)
- For CalWORKs, no eligibility

NATIONWIDE PRISONER MATCH (NPM)

Monthly

- Matches records against the Social Security Administration's Prisoner Update Program System (PUPS)
- Contains data from other states jails and prisons

DECEASED PERSONS MATCH (DPM)

Monthly

- Match from SSA on deceased individuals

PAYMENT VERIFICATION SYSTEM (PVS)

Monthly

- Match with the EDD
 - UIB
 - DIB
 - SSA

NEW HIRE REGISTRY (NHR)

MONTHLY

- Matches with EDD
 - Recently Hired
 - Rehired
 - Returned to Work

IEVS PROCESSING TIME FRAMES

- 45-Day
 - Match must be reviewed and determined discrepant and pursued, or not discrepant.
 - Recipients are notified in writing via GEN 201 by the 45th day of the possible discrepancy and request of verification or the quarter in review
 - Does not apply to Criminal Matches
- Quarter after the Quarter – ACL 18-22
 - OP/OI must be completed, and client notified

CRIMINAL PROSECUTION OF INTENTIONAL PROGRAM VIOLATION TIME FRAMES ACL 18-22 (SB 360)

- The Client cannot be subject to criminal prosecution for OP/OI of benefits received any month following the 45th day if the CWD does not:
 - Provide the Client verification letter by the 45th day from the receipt of an IEVS data match, showing a potential discrepancy, requesting the client confirm the information on the match and/or
 - Timely and adequate notice for establishment and collection of the OP/OI by the quarter after the quarter of the IEVS showing a potential discrepancy.

Note: This includes subsequent IEVS data matches showing the same unreported income.

CRIMINAL PROSECUTION OF INTENTIONAL PROGRAM VIOLATION TIME FRAMES ACL 18-22 (SB 360)

- The county must start the Administrative Disqualification Hearing (ADH) process on the entire OP/OI
 - if the case is not filed for criminal prosecution and
 - the OP/OI falls below the criminal prosecution threshold after omitting the months in which the CWD was in receipt of the IEVS data match.

ACL 18-22 TIMELY PROCESSING

ACL 18-22
Attachment 1

Timely IEVS Processing



October 1, 2017-County Welfare Department (CWD) received a Quarterly IEVS match showing a potential Overpayment/Overissuance (OP/OI) beginning in Q1 2017.

November 14, 2017 -The CWD sends a timely client verification letter.

March 31, 2018 -The CWD sends a timely Notice of Action (NOA) establishing the OP/OI by the Quarter after the Quarter.

Client may be subject to criminal prosecution for the entire OP/OI amount for benefits received from January 2017 to February 2018, if applicable.

ACL 18-22: UNTIMELY PROCESSING 45TH DAY MET – NOT QTR AFTER QTR

ACL 18-22
Attachment 1

Untimely IEVS Processing Quarter after Quarter



October 1, 2017 -County Welfare Department (CWD) received a Quarterly IEVS match showing a potential Overpayment/Overissuance(OP/OI) beginning in Q1 2017.

November 14, 2017 -The CWD sends a timely client verification letter.

March 31, 2018-The CWD does not send the Notice of Action (NOA) establishing the OP/OI by the quarter after quarter, so the client is not subject to criminal prosecution for any OP/OI of benefits received any month following the 45th day, **November 14, 2017**.

- The client may be subject to criminal prosecution for the OP/OI of benefits received from January 2017 to November 2017, if applicable. If the client is found guilty through criminal prosecution for the OP/OI of benefits received from January 2017 to November 2017, those months would be processed as an Intentional Program Violation (IPV).
- The months of December 2017 to August 2018 would be processed as an Inadvertent Household Error (IHE) and cannot be pursued through the Administrative Disqualification Hearing (ADH) process.

If the OP/OI amount from January 2017 to November 2017 falls below the prosecution threshold, and the case was not filed for criminal prosecution, the county must start the ADH process on the entire OP/OI period in accordance with ACL 17-118.

ACL 18-22: UNTIMELY PROCESSING 45TH DAY NOT MET

ACL 18-22
Attachment 1

Untimely IEVS Processing 45 Days



October 1, 2017 -County Welfare Department (CWD) received a Quarterly IEVS match showing a potential Overpayment/Overissuance (OP/OI) beginning in Q1 2017.

November 14, 2017 -CWD does not send the Client Verification letter by the 45thday, so the client is not subject to criminal prosecution for any OP/OI of benefits received after **November 14, 2017**.

March 31, 2018 -The CWD sends a timely Notice of Action (NOA) establishing the OP/OI by the Quarter after the Quarter,

- The client may be subject to criminal prosecution for the OP/OI of benefits received from January 2017 to November 2017, if applicable. If the client is found guilty through criminal prosecution for the OP/OI of benefits received from January 2017 to November 2017, those months would be processed as an Intentional Program Violation (IPV).
- The months of December 2017 to August 2018 would be processed as an Inadvertent Household Error (IHE) and cannot be pursued through the Administrative Disqualification Hearing (ADH) process.

If the OP/OI amount from January 2017 to November 2017 falls below the prosecution threshold, and the case was not filed for criminal prosecution, the county must start the ADH process on the entire OP/OI period in accordance with ACL 17-118.

OVERPAYMENTS AND OVERISSUANCES

- IEVS information is reviewed against information in the case record provided by the recipient to determine whether it affects eligibility or benefit level.
- OP/OI's are based on that individuals reporting requirements
- There are three reporting requirements
 - Semi-Annual Reporting (SAR)
 - Annual Reporting for Child Only (AR/CO)
 - Income Reporting Threshold (IRT)

SEMI-ANNUAL REPORTING (SAR)

- Cases will be assigned to one of the six SAR cycles.
- Each cycle consists of two Payment Periods.
- In each SAR period, there is
 - Data/Report Month
 - Submit Month
 - Payment Period

BDA/SAR Payment Period	Month 2	Month 3	Month 4	SAR Data Month	SAR Submit Month
Cycle 1 (BDA of January or July)					
January	February	March	April	May	June
July	August	September	October	November	December
Cycle 2 (BDA of February or August)					
February	March	April	May	June	July
August	September	October	November	December	January
Cycle 3 (BDA of March or September)					
March	April	May	June	July	August
September	October	November	December	January	February
Cycle 4 (BDA of April or October)					
April	May	June	July	August	September
October	November	December	January	February	March
Cycle 5 (BDA of May or November)					
May	June	July	August	September	October
November	December	January	February	March	April
Cycle 6 (BDA of June or December)					
June	July	August	September	October	November
December	January	February	March	April	May

SAR MANDATORY MID PERIOD REPORT REQUIREMENTS

Report within 10 days

- CalWORKS (SAR)
 - Income exceeds their IRT
 - Fleeing Felon Status
 - Parole/Probation Violations
 - Address Changes (including out of county and state)
- CalFresh
 - Income Exceeds their IRT
 - Substantial Gambling and/or Lottery Winnings

ANNUAL REPORTING FOR A CHILD ONLY (AR/CO)

- No eligible Adult
- Annual Renewal only-no periodic report

AR/CO MANDATORY MID PERIOD REPORT REQUIREMENTS

Report within 10 days

- Income exceeds their IRT
- Drug Felony Convictions
- Fleeing Felon Status
- Parole/Probation Violations
- Changes in Household Composition
- Address Changes

ELDERLY/DISABLED

- Elderly/Disabled HH with no income have the following reporting requirement (10 days)
 - Earnings over IRT
 - Recertification is 36 months
- ESAP - HH with earned income 24 month recert
 - SAR due 6th, 12th and 18th months

INCOME REPORTING THRESHOLD (IRT)

- CalWORKs
 - Tier 1: \$996.00 plus the amount of income last used in the budget
 - Tier 2: Income that would render the AU Ineligible
- Must contain Earned Income

Assistance Unit/Family Size	IRT
0	\$1,473
1	\$1,473
2	\$1,984
3	\$2,495
4	\$3,007
5	\$3,518
6	\$4,029
7	\$4,541
8	\$5,052
Each additional member	Add \$512

INCOME REPORTING THRESHOLD (IRT)

- CalFresh
- All income

Household Size	Gross Monthly Income (200% of FPL)	Gross Monthly Income (130% of FPL)	Net Monthly Income (100% of FPL)
1	\$2,148	\$1,396	\$1,074
2	\$2,904	\$1,888	\$1,452
3	\$3,660	\$2,379	\$1,830
4	\$4,418	\$2,871	\$2,209
5	\$5,174	\$3,363	\$2,587
6	\$5,930	\$3,855	\$2,965
7	\$6,688	\$4,347	\$3,344
8	\$7,444	\$4,839	\$3,722
9	\$8,202	\$5,331	\$4,101
10	\$8,960	\$5,823	\$4,480
Each additional member	+\$758	+\$492	+\$379

OP/OI START DATES

- Dependent upon the individuals reporting requirements
- CalWORKs does not require a 10-day notice only adequate notice is required
- CalFresh does require a 10-day notice

BUDGETING METHODOLOGY

- ACL 15-95
 - CDSS has determined that under SAR and AR/CO, CalWORKs current OP calculation methods can result in large OPs based on income that the clients did not actually have
 - OP shall not be assessed based on more income than the client actually received
 - OP must be based on the actual circumstances, taking into consideration a decrease in income

BUDGETING METHODOLOGY

- ACL 24-23
 - guidance on how to calculate a CalFresh overissuance (OI) under semiannual reporting (SAR)
 - HH misses a required report of gross monthly income received over the IRT
 - establish an OI for the total amount of benefits the household received but was not entitled to for the months since it failed to make the required report.
 - misses a required report of gross monthly income over the IRT at a level that would have rendered them ineligible
 - HH would have been discontinued, any benefits subsequently received by the household after the month in which the household should have been discontinued must be included when determining the value of the OI.